

Anaconda Mining Announces Q3 Production Results, Generates \$8.8M in Revenue from the Sale of 4,652 Ounces of Gold

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TORONTO, Oct. 10, 2019 - [Anaconda Mining Inc.](#) ("Anaconda" or the "Company") (TSX: ANX) (OTCQX: ANXGF) is pleased to announce production results and certain financial information from the three and nine months ended September 30, 2019 ("Q3 2019"). All dollar amounts are in Canadian Dollars. The Company expects to file its third quarter financial statements and management discussion and analysis on or around November 5, 2019.

Q3 2019 Highlights

- Anaconda sold 4,652 ounces of gold in Q3 2019, generating metal revenue of \$8.8 million at an average realized price of \$1,885 per ounce. As at September 30, 2019, the Company also had over 650 ounces in gold doré inventory, which was sold in October 2019.
- The Pine Cove Mill processed 114,373 tonnes during Q3 2019 and achieved mill availability of 97%, a significant improvement from the second quarter of 2019 when the mill experienced low availability resulting from unplanned maintenance and regrind mill and the decision to accelerate other maintenance programs to minimize future down time.
- Mill throughput was 1,282 tonnes per day in Q3 2019, demonstrating continued improvement over both the first and second quarter of 2019, with the mill achieving over 1,300 tonnes per day in September.
- Mining operations produced 134,347 tonnes of ore during the third quarter, a 72% increase over Q2 2019, when operations were focused at the Stog'ler Tight Mine and development at the Pine Cove Pit.
- The Company ended the third quarter with stockpile of over 39,100 tonnes of ore at an estimated average grade of 1.5 grams per tonne ("g/t").
- On July 10, 2019, Anaconda successfully completed a non-brokered private placement for \$4.7 million, which will be used for exploration at the Tilt Cove Gold Project, continued advancement of the Goldboro Gold Project, and continued investment in the Point Rousse Complex and other corporate initiatives.
- As at September 30, 2019, the Company had a cash balance of \$7.0 million, positive preliminary working capital of \$1.0 million¹, and additional available liquidity of \$1,000,000 from an undrawn revolving line of credit facility. The Company is currently processing the bulk sample from the Goldboro Gold Project, and related revenues are expected to be reported in November 2019.

¹ Refer to Non-IFRS Measures Section below.

"After a challenging second quarter for Anaconda, the Company is back on track at the Point Rousse Complex and is making significant advancements at its Goldboro Gold Project and Tilt Cove Project. Thanks to the demonstrated commitment of Anaconda's mine and mill operators at Point Rousse and strong senior mine leadership, gold production is back on track, generating \$8.8M in revenue from the sale of 4,652 ounces of gold and generating operating cash flow. Importantly, the Company has made critical investments in the mill and improved preventative maintenance programs to ensure the sustainability of the operation moving forward. We are also pleased to have begun processing the bulk sample for the Goldboro Gold Project and expect to announce results in November. In the Baie Verte Mining District, we are also excited with our progress at the prospective Gold Project, located approximately 40 kilometres east of the Pine Cove Mill and along strike from the past-producing, Nugget Pond Gold Mine. We have commenced prioritizing drill targets having completed LIDAR, geochemical and geophysical programs over the last quarter, and expect to be mobilizing a drill next month."

~ Kevin Bullock, President and CEO, [Anaconda Mining Inc.](#)

Third Quarter Operating Statistics

	Three months ended	Three months ended	Nine months ended	Nine months ended
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
Mine Statistics				
Ore production (tonnes)	134,347	51,620	289,837	228,293
Waste production (tonnes)	545,873	380,580	1,252,710	987,354
Total material moved (tonnes)	680,220	432,200	1,542,547	1,215,647
Waste: Ore ratio	4.1	7.4	4.3	4.3
Mill Statistics				
Availability (%)	97	98	87	97
Dry tonnes processed	114,373	120,374	291,026	350,892
Tonnes per day ("tpd")	1,282	1,332	1,225	1,328
Grade (grams per tonne)	1.49	1.52	1.53	1.45
Recovery (%)	85.6	86.6	81.7	85.9
Gold Ounces Produced	4,687	5,099	11,770	14,024
Gold Ounces Sold	4,652	4,314	13,057	13,170

Operations Overview for the Three Months Ended September 30, 2019

Anaconda sold 4,652 ounces of gold during the third quarter of 2019, generating metal revenue of \$8.8 million at an average realized gold price¹ of C\$1,885 per ounce, and year-to-date has sold 13,057 ounces to generate metal revenue of \$23.0 million. As at September 30, 2019, the Company also had over 650 ounces of gold doré inventory, which will be sold in October. In July, the Company revised its guidance to 16,000 to 17,000 ounces of gold in light of the potential expansion opportunities at Pine Cove. The Pine Cove Mine is immediately adjacent to the processing facility and is very well understood geologically and from a mining perspective, limiting technical risk, and requires low capital expenditure to continue production. The decrease in guidance reflects the deferral of the development of the Argyle Deposit into 2020, which is subject to ongoing permitting activities. The Company has now received a Mining Lease for Argyle and has submitted the development and rehabilitation plan for review by the Department of Natural Resources in Newfoundland.

¹ Refer to Non-IFRS Measures Section below.

Point Rouse Mill Operations – The Pine Cove Mill processing facility re-established itself as a cornerstone asset of the Company, after a challenging second quarter when unplanned maintenance of the regrind mill impacted mill availability, which in turn impacted throughput and recovery. Anaconda took the opportunity to accelerate other planned maintenance programs to minimize future mill downtime and made significant investments in critical spares and upgrading key parts of the mill. The Company appointed a new General Manager with strong mining experience to provide the oversight required to ensure sustainability of the operation and bolstered the maintenance team and preventative maintenance programs.

As a result, the Pine Cove Mill is now operating in line with historical results, milling 114,373 tonnes during Q3 2019, an 18% improvement from the second quarter when it processed only 96,895 tonnes. The mill achieved throughput of 1,282 tonnes per day in Q3 2019, demonstrating continuous quarterly improvement since the first quarter of 2019, and the mill exceeded throughput of 1,300 tonnes per day in September. Mill availability of 97% was a significant improvement from Q2 2019, and back in-line with the availability achieved in the corresponding period of 2018.

Average grade during the third quarter of 2019 was 1.49 g/t from ore feed primarily from the Pine Cove Pit, a slight decrease over the third quarter of 2018 when a greater proportion of mill feed was from the high-grade Stog'er Tight Mine. It however represents a 19% increase over the second quarter of 2019 when mill feed included lower-grade development ore from pushbacks at the Pine Cove Pit. The mill achieved an average recovery rate of 85.6% during Q3 2019, a significant increase from 74.7% in Q2 2019, resulting in quarterly gold production of 4,687 ounces for the third quarter of 2019.

Point Rousse Mine Operations – During the third quarter of 2019, the mine operation produced 134,347 tonnes of ore from the Pine Cove Pit, a 72% increase from the second quarter of 2019 when mining activity was focused at the Stog'er Tight Mine and Pine Cove development. Similarly, tonnes mined were up significantly compared to the same period in 2018 when mining was exclusively focused at Stog'er Tight. Total material moved in Q3 2019 was 680,220 tonnes, a 35% increase over the second quarter of 2019 when mine operations were scaled back during mill downtime, and a 57% increase over Q3 2018 when mining was taking place at Stog'er Tight. The mine operations achieved a strip ratio of 4.1 waste tonnes to ore tonnes in Q3 2019, a decrease from a strip ratio of 5.5 in the second quarter of 2019 when mining activity at Pine Cove was focused on development.

As at September 30, 2019, the mine operation had stockpiled over 39,100 tonnes of ore with an estimated average grade of 1.45 g/t.

For the remainder of 2019, mine operations will remain focused on pushbacks and mine production from the south and southwest areas of the Pine Cove Pit. As a result of recent successful infill and expansion drilling at the Pine Cove open pit mine announced in February 2019, the Company continues to see potential to expand the mine life at Pine Cove and consequently has deferred the development of the Argyle Deposit into 2020. As a result, the Company revised its guidance for 2019 to 16,000 to 17,000 ounces of gold.

Permitting activities continue with respect to the Argyle Deposit; the Company has now received a Mining Lease for Argyle and has submitted the development and rehabilitation plan for review by the Department of Natural Resources in Newfoundland.

Qualified Person

Gordana Slepcev, P. Eng., Chief Operating Officer, [Anaconda Mining Inc.](#), is a "qualified person" as such term is defined in National Instrument 43-101 and has reviewed and approved the technical information and data included in this press release.

ABOUT ANACONDA

Anaconda is a TSX and OTCQX-listed gold mining, development, and exploration company, focused in Atlantic Canada. The company operates mining and milling operations in the prolific Baie Verte Mining District of Newfoundland which includes the fully-permitted Pine Cove Mill, tailings facility and deep-water port, as well as ~11,000 hectares of highly prospective mineral lands including those adjacent to the past producing, high-grade Nugget Pond Mine. Anaconda is also developing the Goldboro Gold Project in Nova Scotia, a high-grade resource and the subject of an on-going feasibility study.

NON-IFRS MEASURES

Anaconda has included certain non-IFRS performance measures as detailed below. In the gold mining industry, these are common performance measures but may not be comparable to similar measures presented by other issuers. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate the Company's performance and

ability to generate cash flow. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

Operating Cash Costs per Ounce of Gold – Anaconda calculates operating cash costs per ounce by dividing operating expenses per the consolidated statement of operations, net of silver sales by-product revenue, by the gold ounces sold during the applicable period. Operating expenses include mine site operating costs such as mining, processing and administration as well as royalties, however excludes depletion and depreciation and rehabilitation costs.

Average Realized Gold Price per Ounce Sold – In the gold mining industry, average realized gold price per ounce sold is a common performance measure that does not have any standardized meaning. The most directly comparable measure prepared in accordance with IFRS is gold revenue. The measure is intended to assist readers in evaluating the revenue received in a period from each ounce of gold sold.

Working Capital – Working capital is a common measure of near-term liquidity and is calculated by deducting current liabilities from current assets.

FORWARD-LOOKING STATEMENTS

This news release contains "forward-looking information" within the meaning of applicable Canadian and United States securities legislation. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects", or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "does not anticipate", or "believes" or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might", or "will be taken", "occur", or "be achieved". Forward-looking information is based on the opinions and estimates of management at the date the information is made, and is based on a number of assumptions and is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Anaconda to be materially different from those expressed or implied by such forward-looking information, including risks associated with the exploration, development and mining such as economic factors as they effect exploration, future commodity prices, changes in foreign exchange and interest rates, actual results of current production, development and exploration activities, government regulation, political or economic developments, environmental risks, permitting timelines, capital expenditures, operating or technical difficulties in connection with development activities, employee relations, the speculative nature of gold exploration and development, including the risks of diminishing quantities of grades of resources, contests over title to properties, and changes in project parameters as plans continue to be refined as well as those risk factors discussed in Anaconda's annual Report to Shareholders for the year ended December 31, 2018 available on www.anacondamining.com; Research from the Dany Denic Rober, Investor Relations, (514) 222-2276 x436, Although Anaconda has attempted to identify research factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as

anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. Anaconda does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

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